P 30 E

Preserve

App. F. IX-4

1929. (V.P.)

File No. 80-29

Serial Nos. 1

Previous References

VP 27-27 (5-10, 12, 14, 15 & 16)

Later References

HD 155-29 (1+2)

VP 27-31 (1+2)

Legis 34-30-1-6

VP 60-31 Rs 265

General and Revenue Secretariat.

Serial Nos. 1

Part B for May 30.

SUBJECT.

Amendment of the Mysore Village Panchayet Regulation II of 1926 so as to Village Panchayets to raise loans.

Recorded into no order.

L 4443

(For Disposal by Circulation.)

No. C. 290

9 1929-30

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

—<—

SUBJECT.

Draft Bill to amend the Mysore Village Panchayet Regulation II of 1926, so as to empower the Mysore Village Panchayets to -- raise loans.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

Chief Secretary to Government.

10th May 1930

~~Extraordinary Member of Council.~~

6796/12/5 **First Member of Council.** 14.5.30

8628/15/5 **Second Member of Council.** (Leen)

11063/14/5 **Third Member of Council.** 14.5.30

For favour of final Note,

Second Member.

c 291 (linked).

Final Note signed by the Member in person 14/5.

4443.

App. F. III—2]

General and Revenue Secretariat. | V.P. File No. 80 of 1929.

Serial No.	
1	Letter No. C 3074/29-30 dated 25.2.30 / 11.3.30 from the Revenue Commr in Mysore forwarding copy of letter from the D.C Kadur requesting sanction for a sum of Rs 35,000/- to grant loans to certain village panchayets in the Distt. and recommending sanction in the circumstance to formulate a scheme of granting loans to village panchayets for undertaking works of necessity and permanent Importance. Recommends in this behalf the Amendment of Sections 4 and 35 of the V. P. Regulation

The Rev Commr proposes that a scheme of granting loans to village panchayets for undertaking works of necessity and permanent importance maybe sanctd and that for this purpose the village panchayet Regulation maybe amended.

(2) The question of granting loans to Village Panchayets was considered at the officers meeting held at Bangalore on 22-2-1930 and it is under contemplation to provide a sum of Rs 2 lakhs in the next years Budget. This question may can be further worked up after the Proceedings of the meeting are approved and issued, and the conditions subject to

NOTE—Contn. sheet.

WD 066—GPB—30,000—26-7-29

General and Revenue Secretariat | V P File No. 80 of 1929.

Serial No.

which loans will be granted may be settled in Consultation with the Financial Secy. after the State Budget is finally approved.

(3) As regards the Amendment of the V P Regulation, the Rev Commr proposes that the necessary legislation may be passed at the next meeting of the L.C to be held on 24.3.30. Under the Rep ~~Regn~~. Assembly Regn, the Rep Assembly has to be Consulted before any bill is introduced into the Legislative Council. It has to be also first Considered whether it is really necessary to Amend the V. P. Regn. for this purpose. Govt have been advancing the necessary funds for Village extensions and recovering them in 3 annual instalments without any Amendment of the Regn. ~~Section~~ Under Section 4 (2) of the V. P. Regn the Panchayet has power to enter into Contracts and to do all things necessary for all or any of the purposes of this Regulation. It is not therefore necessary to amend the Regulation merely for the purpose of giving loans to Panchayets and recovering them

(4) An amendment of the Regulation would be necessary to prevent the

Vide G.O No. L7182-91/VP 13-26-4 d 26-4-29 (Flag F.)

Note—Contn. Sheet

WD 066—GPB—80,000—26-7-29

App. F. III—2]

General and Revenue Secretariat | VP File No. 80 of 1929.

Serial No.

Panchayets from raising loans from the Public. (Vide Sections 42 and 72 of the District Boards Regulation). ~~It~~ Such an amendment would be necessary when the public are prepared to lend money to Panchayets. The existing provisions in the Regulation ~~seem~~ appear to be sufficient to prevent Village Panchayets from borrowing from the public unnecessarily and wasting their funds. The question of amending the Regulation may be considered when necessity arises in future.

VC-H 3519/29

29/3

CHIEF SECRETARY, 20 MAR. 1930

(Sd.) 19/3

5 As decided at the last meeting of Officers, a sum of Rs 2 lakhs may be provided in the budget estimates for the year 1930-31 for granting loans to Panchayets.

A

6 The working rules proposed by Mr. Rau commr seem to be generally suitable. and may be examined by Law Dept.

B

7 About the necessity of amending the V. P Regulation, Law Dept will be consulted

C

OFFICE OF THE SECOND MEMBER OF COUNCIL 25 MAR. 1930 No. 128

Note—Contn. Sheet

Secretary to Govt

24/3

WD 066—GPB—80,000—26-7-29

4) (Sd.) 27/3

Serial No. 12

R 3569

For orders as regards A.

A.S. 2.4.30

Fl Secy)

12573 — 1/4

11) I have no objection to the proposal at A. The terms under which loans to V. Pts may be granted and the rules under which Mudaliars shd be selected have the dis cussed after legal opinion is obtained

Reading - C.

1.4.30.

12 Submit with reg to paras 7 and 8.

DS 3/4/30

13) The Fin may be asked to Fl Secy for necessary actn vide A. for provision in the Budget.

14) Then the Law Secy may be consulted vide C

Fl Secy) 3/4

CHIEF SECRETARY. 3 APR. 1930

15) Fl Secy) 4/4

16) Agreed. A.S. 5/4/30

17) This may perhaps be noted in the Consideration list

Fl Secy) 18) A.S. 5.4.30. Pl instruct the Compte.

5/4

Note—Contn. Sheet

WD 066—GPB—30,000—26-7-29

4950 of 29 P

4443 — No Hundi/29

9/4 App. F. III—2]

General and Revenue Secretariat. | File No. | of 192

Serial No.

19) Draft Subd
WW 8/4 D

20) Issue
by Express

21)

22) Issued no. [illegible] dt 9.4.30" -
This may now be referred back to d.S.G.
Branch for further action.
WW 10/4 W&R The Supdt., L.S.G. Branch with compliments

23)
Law Deptt) for a Regarding expression of opinion.

24) Vide paras 9 of the Revd report and draft Rule framed with this Memo and para 9 of the Chief's Note above.

WW 10/4

Law 10/4

25)
Though in sec (4) Cl (2) of the V. P. Regn the Village Panchayats are given power "to enter into contracts and to do all things necessary for all or any of the purposes of this Regulation", This cannot be held to invest the V. P's with power to raise loans or to incur indebtedness. It is a settled principle of law that a municipal corporation has no implied power to borrow money. "The power to

NOTE—Contn. sheet.

WD 066—GPB—30,000—26-7-29

4950

4443 L&S

App. F. III—2]

General and Revenue Secretariat | File No. | of 192

Serial No.

incur indebtedness must be expressly given to a municipal corpn before a valid debt or obligation can be contracted or incurred" (P. D. Dhavan on Mun. Corpn page 257 2d) This power is expressly given under sec 72 of the District Bs Regn to the District Bs. Before sec 53A of the Mc Regn was enacted, there was no such power in the Municipal bodies. In the Bombay Dt Municipalities Act there is no section corresponding to sec 53A of our Mc Regn and it is therefore said in P. D. Dhavan's book on Mc Corpns that District Municipalities are not empowered to raise loans in the open market; but they can obtain a loan from Govt under the provisions of the Local Authorities Loans Act V of 1914.

(130 17.4.30)

page 256. (2nd edn)

27) An amendment of the V. P Regn is therefore necessary to empower the V. Ps to raise loans, as proposed by the Rev Comr

17.4.30

Act V of 1914

28) Legislation is necessary to enable village panchayats to raise funds by means of public loans. The appropriate place for making provision for this is between S. 40 & S. 41. The amendments proposed by the Rev. Comr may be adopted as suitably revised.

Note—Contn. Sheet

WD 066—GPB—30,000—26-7-29.

CHIEF SECRETARY 23 APR. 1930

25) Secy

Chief Secy

Addl Comr

Dy 1914

Dy 2264 1914

4443

[App. F. III—2]

General and Revenue Secretariat. V. File No. S D of 1927

Serial No.

30) A draft bill with the Statement of objects and reasons is put up for approval. This is a council matter and the R A may be consulted at the Birthday Session. After the R A is consulted the file may be sent to the Finl Secy for consideration of the rules with reg to para

29/4/30

2nd Member. 30/4

1 Cor 2/5

Dewan) 2/5-

5-5-30

Rg 6/5/30

This is a council matter May be sent to the council Section for further action

2/5/30

Cont 1 Cor 8/5

4232

DEWAN'S OFFICE 5 - MAY 1930 Pb 7/5

4431 G1-

It would not be necessary to put up this file to the Council Secretariat for information after the Council meeting is over.

2/5

NOTE—Contn. sheet.

CHIEF SECRETARY 9 MAY 1930

5 May 10/5

Typed copies sent

WD 066—GPB—80,000—26-7-29

App. F. III—2]

General and Revenue Secretariat. | File No. of 192 . 270 & 271

Serial No.

Subject:-

Draft Bill to amend the Mysore Village Panchayet Regulation, II of 1926.

D. S. N. Submitted.

Dewan)

22/5

24-5-30

DEWAN'S OFFICE
24 MAY 1930
Le983

NOTE—Contn. sheet.

WD 066—GPB—30,000—26-7-29

Serial No. 2

Forwarded to R.A. Secretariat in connection with subject in Note Book of Executive Council Chamber at the request of R.A. Secretariat & their return with Minutes of Executive Council Meeting

Mr. Porter 28/5

Have copies of the draft (with the Bill & 10 desired by the R.A. Secretariat) typed & send them to the R.A. office at once. 28/5

Dear Please type 4 copies

28/5

Send with typed copies of Statement & Bill, for favour of signature before sending to R.A. Office

Dear 29/5 A.

29/5

R.A. Office with Compts 29/5

3 Copies of Native Bills & the general principles taken in English translated to Protection Branch with Compliments

Prot. Br.] 30/5 30/5

OFFICE OF THE SECRETARY to the S. N. A. 29. MAY 1930 REPRESENTATIVE ASSEMBLY AND LEGISLATIVE COUNCIL

Note—Contn. Sheet

WD 0684—GPB—30,000—20-4-29

Final Note by the Second Member of Council.

Subject:—

Draft Bill to amend the Mysore Village Panchayet Regulation II of 1926.

There are some difficulties in constituting Village Panchayets in the Kolar Gold Fields area. This area comprises a number of villages to all of which both the Village Panchayet Regulation and the Notification under Regulation IV of 1906 laying down rules for the special sanitation of that area apply. Even the urban areas are nothing more than a collection of villages. Strictly according to the law Village Panchayets have to be constituted for these areas also. But such a step would be impracticable. The existing distinction between areas directly administered by the Board and areas administered by Panchayets under the general control of the Board is both useful and necessary. This involves the amendment of Section (2) of ~~Sub~~ Section 1 and Clause (10) of Section 3 of the Regulation.

At present every Panchayet has power to raise taxes for defraying the various items of expenditure. The income of some of the Panchayets is very small on account of which they are not able to undertake any important works and the building up of funds for the purpose will take a very long time. It is observed that there is accumulation of savings of Panchayets taken as a whole, a portion of which may well be utilized for issuing loans to such of the Panchayets as require funds, the loans being re-couped in instalments spread over a number of years out of their ordinary income. The raising of loans by Panchayets or the creation of fresh charges on their revenues is not covered by the Regulation. Hence the amendment of Sub Section (1) of Section 35 and the addition of a new Section 40 (a) are necessary.

A draft Bill to amend the Village Panchayet Regulation has

S, T, U, V has accordingly been prepared and approved by the Dewan and the other Members of Council.

I therefore solicit His Highness' gracious permission to Z place the general principles of the Bill before the Representative Assembly and the Legislative Council.

C S Balasundaram Ayyr

MEMBER OF COUNCIL.

Bangalore,

17th May 1930.

Submitted to His Highness.

I submit herewith a Final Note by the Second Member of Council regarding a draft bill to amend the Mysore Village Panchayet Regulation, II of 1926,

for His Highness' gracious approval.

Mirza M. Ismail

Dewan.

24-5-30

4955 P 23

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Draft bill to amend the Mysore Village Panchayet Regulation II of 1926.

523

Order.

~~KRW~~
27/5/30

C Secy
28-5-30

4443

C 290 & 291.

General and Revenue Secretariat

SUBJECT

Draft Bill to amend the Nuwara Eliya Municipal Regulation, II of 1926.

(*)

31. All urgent or confidential files returned with His Highness' orders may, in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at headquarters and then to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders. (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

By Order,

Chief Secretary to Government.

Through the Secretary to Government,

..... Department,

7694/23/6

FIRST MEMBER OF COUNCIL. 23/6/30

9522/24/6

SECOND MEMBER OF COUNCIL. 24/6.

12451/25/6

THIRD MEMBER OF COUNCIL. 25/6/30

NOTE.—Contn. sheet.

8 JULY 1931

L. & L. BRANCH

Returned with Corps S, to the L.L.G. Branch, after circulation to Members of Council.

Interim action desirable by circulating the Bill under Sec. 5 of Paper may be received

Bill further to amend the Village Panchayet Regulation, II of 1926.

---

1. In Sub-section (1) of Section 35, - the words "and loans raised by the Panchayet" shall be inserted between the word "Government" when it occurs for the second time and the words "shall be paid."

2. The following section shall be inserted after section 40:-

"40.A. Subject to such rules as may be prescribed, a Village Panchayet may raise loans for carrying out works of permanent utility within the area under its control. The amounts so borrowed shall be a first charge upon its revenues."

Statement of objects and reasons.

The Village Panchayet Regulation has invested each Panchayet with power to - raise taxes out of which its expenditure for various purposes could be defrayed. While the income of some of the Panchayets has been sufficient to meet not only their ordinary expenditure but also the cost of new works, the income of some others is so small that they are not able to undertake any important works. It will take a very long time for them to build up funds - sufficient to meet the cost of such works. It has been brought to notice that there is accummulation of savings of Panchayets taken as a whole and that a portion of - this money may well be utilised for issuing

loans to such of the Panchayets as stand in need of funds, the loans being recouped in instalments spread over a number of years out of their ordinary income.

The Village Panchayet Regulation does not enable Panchayets to raise loans or to create fresh charges on their revenues. It is now proposed to amend the Regulation so as to provide for such purposes. The terms on which the loans may be raised will be laid down in the rules to be prescribed by Government in this behalf.

Bill further to amend the Village Panchayet Regulation, II of 1926.

---

1. In Sub-section (1) of Section 35, the words "and loans raised by the Panchayet" shall be inserted between the word "Government" when it occurs for the second time and the words "shall be paid".

2. The following section shall be inserted after section 40:-

"40.A. Subject to such rules as may be prescribed, a Village Panchayet may raise loans for carrying out works of permanent utility within the area under its control. The amounts so borrowed shall be a first charge upon its revenues."

Statements of objects and reasons.

The Village Panchayet Regulation has invested each Panchayet with power to raise taxes ~~with a view to defray~~ which its expenditure for various purposes. Costs be defrayed. ~~But~~ While the income of some of the Panchayets ~~have~~ has been sufficient to meet ~~a~~ not only their ordinary expenditure but also ~~to provide for several items~~ the cost of new works of ~~local public improvements~~, the ~~annual~~ income of some others is so ~~slender~~ small that they are not able to undertake works ~~of~~ any important permanent ~~utility~~ public. It will take a ~~pretty~~ long ~~period~~ time for them to build up funds sufficient to meet the ~~expenditure on~~ cost of such works. It has been brought to notice that there is an accumulation of savings of Panchayets taken as a whole and a portion of ~~it~~ this money may ~~be~~ well be utilised ~~towards the issue of~~ for a scheme loans to

G.J. 3074-29-1

OFFICE OF THE REVENUE COMMISSIONER
IN MYSORE,

No. C.3074/29-30.

Dated, Bangalore, 25th February 1930.

11 MAR 1930

FROM Rajakarya Pravina
P.G. D'Souza, Esq., B.A., B.L.,
Revenue Commissioner in Mysore.

4443

To

The Chief Secretary to the Government
of His Highness the Maharaja of Mysore,
Bangalore.

V.P. 80-29-1

CHIEF SECRETARY
11 MAR 1930

SIR,

I have the honour to forward herewith copy of letter No.A.6-1535-29/62 dated 5th February 1930, from the Deputy Commissioner, Kadur District, requesting sanction for a sum of Rs.35,000/- to grant loans to certain Village Panchayets in the Taluks of Kadur, Tarikere and Chickmagalur for carrying out improvement works in those villages and to state that I agree with the Deputy Commissioner that it is necessary to help Village Panchayets with such loans to enable them specially to meet their basic wants at an early date.

2 The Village Panchayet Regulation has invested each village brought under the Scheme with a source of income placed on a statutory basis. The income is not only permanent but is likely to increase in course of time. Happily this has not yet been saddled in many cases with any heavy recurring burdens, such as conservancy and sanitation charges, absorbing the bulk of the income and the accumulation of saving to the extent of over 20 lakhs for the whole State is the result of such position.

3 There are still many villages in the State which have not yet been provided with good drinking water wells. There are several other essential wants which it has not been possible to meet, in spite of the best of intentions on all sides. This is likely to continue to be the state of affairs if the problem is dealt with as heretofore.

4 While the income of the Village Panchayets is no a..

permanent, yet the annual income of individual villages is, in many cases, so slender that no works of permanent utility can be undertaken therefrom. There is also every fear that the income may be frittered away on less useful things. As such, the levy of the fresh tax under the Regulation may not bring to the village any material benefit in the near future. To allow the savings to accumulate to the necessary extent even if it is possible to do so by arresting dissipation of resources, it will take a pretty long period before anything of permanent utility can be undertaken. The effect of such a delay on the minds of the people will not be helpful to speed up the Rural Reconstruction Work. But the position offers a good solution. Though the annual income of individual Village Panchayets is small for undertaking any works of permanent benefit to the villages, the annual savings will form a reliable fund for the liquidation of any loan that may be advanced. If no in- roads are made on its present savings by creating any fresh recurring charges, its credit though it may be somewhat limited is far stronger than that of any unlimited Co-operative Society in-as-much as, the Village Panchayet possesses in itself the necessary statutory powers of collecting its dues from its members. The Village Panchayet Revenue may therefore be considered as a good security and loans can be safely raised by the individual Village Panchayets to the extent their annual savings permit.

5 It is important to observe that the Village Panchayets have themselves provided the necessary funds wherefrom such loans may be granted. As stated above, there is at present a total savings of over 20 lakhs in the State Savings Bank Deposit Account. Even if a good portion is withdrawn in the near future, a balance of about ten lakhs may be safely expected to stand always at the credit of the Village Panchayets. 50% of it or not less than 5 lakhs may be considered as available as a source for granting loans to Village Panchayets to start with. Actually a larger amount will be so available.

6 There is a proposal that a federation of Village Panchayet-

undertake works according to a well arranged programme. It is also very desirable to form a fund of these amounts from which all loans would be granted and to which all repayments and interest would be credited. This will make it possible to grant loans to about 200 villages every year continuously without break as the fund automatically gets itself recouped from year to year by means of instalments received each year.

9 To bring the above scheme into effect it is necessary to make needful provisions in the Village Panchayet Regulation as the Village Panchayets have no authority at present under the Regulation to borrow funds for the objects contemplated in the Regulation and to create any charge upon their income. I append below a draft provision which may be embodied in the Regulation. As this arrangement should be brought into force with effect from 1st July 1930, I request that the necessary legislation be kindly be passed at the next meeting of the Legislative Council to be held on the 24th March 1930. I beg to observe that this will be a very important step in the development of the Village Panchayet Scheme, as it will enable the Village Panchayets to use their credits for raising loans from the public also in due course and create a joint sense of responsibility in the villagers. Its far reaching extent may be easily visualised. The present total income of the Village Panchayets is over 16 lakhs per annum. If 25% to 50% thereof can be considered as the annual instalment towards principal that can be safely set apart each year and if the period of repayment is, say 10 years, the Village Panchayets can borrow to the extent of 40 lakhs for effecting essential Rural Improvements. If such amounts are wisely spent, of course spread over several years, the change in the outlook of rural parts will be tremendous. When once such a change is permanently effected, further development will follow as a matter of course, as the necessary consequence of the changed outlook of the rural population.

10 It is necessary to lay down certain working rules and safeguards in this connection.

may be formed and these savings along with other deposits to be attracted from the public may, through the ~~xxx~~ federation, be lent to the constituent Village Panchayets. The method proposed is open to serious practical objections though it is desirable to design a scheme for making use of the large sum at the credit of Village Panchayets. Grant of loans in deserving cases by Government direct, is the best method, as it satisfies all ~~the~~ conditions, does not involve any extra expenditure for disbursement of loans and collection of instalments and more than all, will not in any way affect the individual Village Panchayet depositor in its sense of confidence and security so far as its own Savings Bank Deposit is concerned.

7 Summing up, the position is as follows:--

(1) The basic wants of the villages should be provided very early to effect a change in the outlook of the Rural people and the villages and to give the necessary stimulus to Rural Reconstruction Work.

(2) The Village Panchayets have a permament and steady annual income, a good portion of which is now saved.

(3) There is a large sum of over 20 lakhs at the credit of all the Village Panchayets in the Savings Bank Account and 5 to 10 lakhs may be considered to be always available as ~~credit~~ balance.

(4) Government is in the best possible position to utilise such balances for granting loans to deserving Village Panchayets.

8 I request that Government may kindly (appreciating all the aspects of the position, sanction a scheme of granting loans to Village Panchayets for undertaking works of necessity and permanent importance. The question was discussed at the Deputy Commissioners' meeting held on the 22nd instant and Government were pleased to say that a sum of rupees two lakhs would be provided in the next budget (1930-31) for the purpose. I would also recommend that orders are kindly passed to make similar provision for at least five years to come so as to enable the District Officers to

(a) These loans should only be intended for objects of permanent value that will go to materially improve the health and comforts of the village as a whole such as drinking water wells, essential and permanent sanitary improvements etc.

(b) The loans should not ordinarily exceed five times the annual revenue of the individual village under the Regulation.

(c) The maximum period of repayment should not exceed ten years, but should ordinarily be less. It is necessary that Village Panchayets practise restraint and thrift in spending their Revenue.

(d) The recurring charges of Village Panchayets applying for loans under collection, conservancy etc., should not ordinarily exceed 1/3rd of the annual income.

(e) Programme of works to be undertaken out of these loans should be approved by the Deputy Commissioner personally for the first few years, as the chances of wastage should be reduced to a minimum.

(f) As far as possible, only local labour and materials should be employed in carrying out these works.

(g) Loans up to Rs.500/- may be sanctioned by Deputy Commissioner and up to Rs.1000/- by Revenue Commissioner and higher sums by Government.

(h) In addition to the procedure prescribed for levying optional taxes, the consents of not less than 50% of the adult male residents of the village should be obtained in applying for loan on the security of the taxes.

(i) The loan is liable to carry ~~Savings Bank rate of~~ interest, at 5 per cent per annum. but such interest may be waived in case of poorer Village Panchayets whose annual gross income is below Rs.500/-.

8/18/4

// If not less than two lakhs are available every year for this purpose and if the average loan per Village Panchayet does not exceed Rs.1,000/- (and the average is not likely to go above that figure), it will be possible to finance not less than 200 villages say at three per Taluk every year for meeting the basic wants and materially improving the comforts and convenience of rural life.

If satisfactory progress is achieved in the first few years, the very confidence it inspires in the Scheme and the stimulus it gives to the people may be expected to create necessary factors for accelerating the rate of progress. Everything lies in success-fully working out the Scheme satisfactorily in respect of all details during the first few years and in selecting suitable localities.

I request therefore you will kindly obtain very early sanction of Government to the proposed Scheme.

I have the honour to be,

S i r,

Your most obedient servant,

Revenue Commissioner.

BR.

Letter No.A.6-1535-29/62 dated 3rd/5th February 1930, from the Deputy Commissioner, Kadur District, to the Revenue Commissioner in Mysore.

Subject:-- Applications by Panchayets for loans for taking up programmes of village improvement.

In forwarding herewith the file of applications for loans for Village Improvement work as resolved by by the Respective Panchayets and recommended by the Amildars and the Sub Division Officer, I have the honour to ~~ax~~ state as follows:--

The Panchayet income for the village is the main source of funds for Village Improvement work. Though the income is a sure one it is so small in most Panchayets that much progress cannot be shown in any place in any one year or even in a number of years, with the result, neither the movement nor the work turned out, will appeal to the people or stir them up to follow the example of neighbouring villages. The attention of the supervising officers is dissipated and efficient work cannot be turned out.

On the other hand if a few Panchayets are in effect made models by all the wants having been met all at once, the results will be far reaching and efficacious. The Panchayets by themselves cannot do so on account of their limited income.

They are however statutory and permanent institutions and their yearly income is almost as sure and safe as Land Revenue. In that way they are even safer than Co-operative Institutions so far as their loan raising capacity is concerned.

If sufficient funds to meet most of the basic wants of a few Panchayets to begin with are granted the desired results could be obtained and the money got back safely in yearly instalments.

This suggestion has met with enthusiastic respons. from the Village Panchayets ~~belonging to these Taluks are herewith~~ in the District.

As a small beginning the applications from a few important Panchayets belonging to three Taluks are herewith submitted for kind consideration and early sanction.

A statement of loans applied for and the yearly demand of the Panchayets is also enclosed for ready reference. A detailed list of the several items of improvement works as approved by the Panchayet is appended.. After the funds are sanctioned, the District Economic Superintendent will be directed once again to examine and scrutinize the programmes and give the necessary guidance. Necessary estimates will be got prepared and the works pushed through. As far as possible communal labour will also be utilised and expenditure of actual money will be minimised. I recommend that in all a sum of Rs.35,000/- may be got sanctioned for giving loans to Panchayets as given in statement "A". The loans may bear an interest of 4% per annum and made repayable in 20 yearly instalments It is seen from statement "A" that the yearly instalment payable by the Panchayet will be well within the annual.demand leaving it sufficient funds for any annual recurring expenditure that it may have to incur under Conservancy, Sanitation and such other heads.

It has to be added that the villages herein selected are all roadside villages within easy reach of the Taluk and District Head Quarters and so capable of being paid close and continuous attention.

" C o p y "

Veeraraghava Rao

For Revenue Commissioner.

BR.

Bill further to amend the

~~Draft~~ amendment to Village Panchayet Regulation II of 1926.

The following ~~further~~ such ~~added~~ inserted between Sections 40 & 41

A new clause will be added to Section 4 of the Regulation as under:-

40A. ~~4 (3)~~ Subject to ~~the~~ such rules as may ~~be~~ prescribed ~~made by Government in this behalf~~, ~~the~~ a Village Panchayet may raise loans for carrying out works of permanent utility within ~~its limits~~ the area under its control. The amounts so borrowed shall be a first charge upon its revenues.

In Section 35 (1) of the Regulation, insert the words "and loans raised by the Panchayet" between the word "Government" and the words "shall be paid" occurring in the last but one line.

When it occurs for the second time

Yes

Revenue Commissioner.

BR.

Appendix F G—1

SUBJECT..... .....

....

....

Section G-2

File No. 204-29

Serial No. 2

No. H 6715

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *192*

To

....

Date of issue 9.4.30

Signed by M.A.R.B.

Dear Sir,

I am desired to request that a sum of Rs 2 lakhs may be provided in the Budget of 1930-31 for granting loans to Village Panchayats.

Yours Sincerely,

8/4/30

NW

List of enclosures.....

To. S. Shanmuna Esq BA
Comptroller to Govt

Copied by 8/4/30 (3)

9/4

copy to the Budget Section
L. S. G. Branch.

Examined by.....

over

WD 0399—GPB—20,000—18-9-28